

A BILL TO BE ENTITLED

AN ACT

relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 981.203, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a)(1)(B), an individual is not required to obtain a general property and casualty or a managing general agent license to hold a surplus lines agent license if:

(1) the home state of each insured is Texas;

(2) the individual is a nonresident of this state;

(3) the individual is licensed as a surplus lines agent in the individual's state of residence;

(4) the individual does not hold a managing general agent license in this state;

(5) the individual is not required by the individual's state of residence to hold a general property and casualty license to become licensed as a surplus lines agent;

(6) the individual has provided information acceptable to the commissioner that the individual's state of residence does not require a property and casualty agent license for a surplus lines agent license;

(7) the individual's state of residence does not

1 require a surplus lines agent to search for the availability of  
2 insurance in the individual's state of residence before the  
3 insurance is placed through a surplus lines agent;

4 (8) the individual's state of residence allows a  
5 licensed general property and casualty agent to search for the  
6 availability of insurance in the individual's state of residence;

7 (9) the individual has a professional relationship  
8 with, and each transaction is conducted through, a person who:

9 (A) is a licensed general property and casualty  
10 agent in this state or in the state of each transaction; and

11 (B) searches for the availability of insurance in  
12 this state before the insurance is placed through a surplus lines  
13 agent; and

14 (10) each transaction complies with the laws of the  
15 state in which it occurs.

16 SECTION 2. The change in law made by this Act applies to a  
17 license application submitted on or after the effective date of  
18 this Act. A license application submitted before the effective  
19 date of this Act is governed by the law in effect immediately before  
20 the effective date of this Act, and that law is continued in effect  
21 for that purpose.

22 SECTION 3. This Act takes effect September 1, 2013.